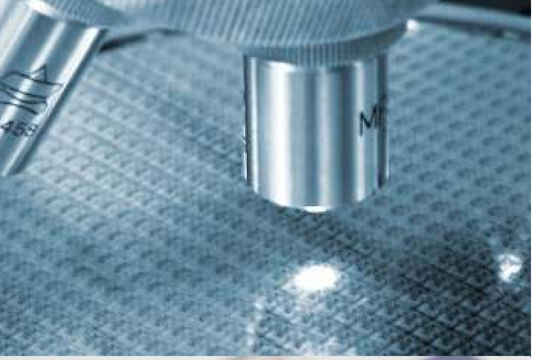

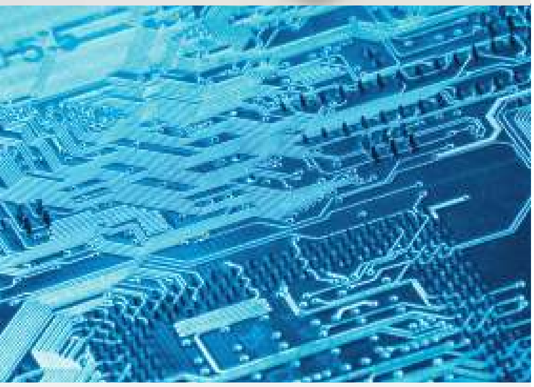

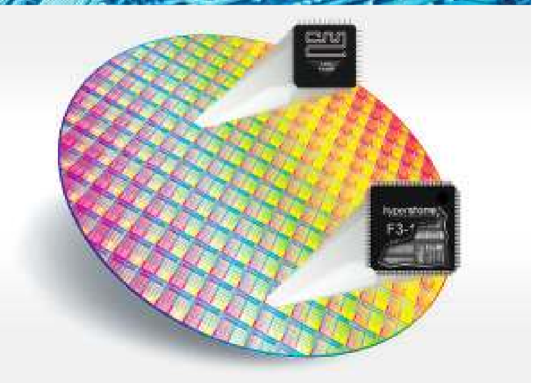

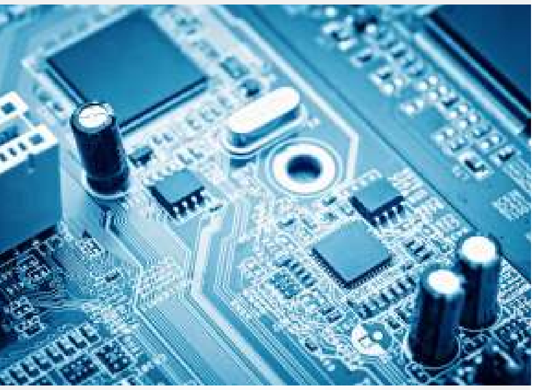

CML Microsystems Plc

delivering innovative semiconductor solutions

CML Microsystems Plc

Unaudited Preliminary Annual Results for the year ended 31 March 2013

Contents

Chairman's statement

Introduction
I am pleased to report that the results for the full year to 31 March 2013 demonstrate a further clear performance improvement in the Group's trading position against the continued backdrop of economic uncertainty.

Particular encouragement can be drawn from the positive sales gains that were posted in the two principal market areas of storage and wireless and from the increased adoption of the Group's expanded product range. The Operating and Financial review makes clear the details.

The firm uplift in trading profitability in conjunction with diligent cost management practices pushed net cash reserves higher and serves to satisfy the confidence reported by the Board at the interim stage.

Results
To summarise the results, Group revenues for the year just ended were £25.24m (2012: £23.41m) while gross profit was £17.56m (2012: £16.21m). A profit before tax of £5.07m compares to the previous years profit of £3.95m.

The Group generated £3.74m of cash and further enhanced its net cash position to £8.98m (2012: £5.24m). Diluted earnings per share increased by 20% to 25.18p (2012: 20.94p).

Dividend
Your directors' believe that shareholders should receive appropriate benefit according to the performance of their Company. Having considered the trading improvement made along with the current outlook, the Board is recommending payment of a final dividend of 5.5p per ordinary share (2012: 4.0p per ordinary share) to be paid on 2 August 2013 to all shareholders whose names appear on the register at close of business on 20 June 2013.

Property
Efforts directed at realising both income and capital value from the Group's non-operational property assets continued through the year. Almost all industrial properties are now let to tenants and the potential to further develop the Group's headquarters site in Langford, Essex, is the subject of an on-going planning application appeal process.

Equipment Segment
The Board has taken the decision to exit from the Group's loss making equipment segment, Radio Data Technology Ltd (RDT). For the year to 31 March 2013, RDT posted revenues of £590k and recorded a trading loss of £383k. The exit of this business segment is scheduled to be completed during the first half of the current financial year.

Prospects
There is no doubt that the continuing economic uncertainty remains a concern for most global companies. That said, the evidence at this stage is for further profitable growth by your Company through the year ahead and, subject to unforeseen circumstances, I am confident that my expectations will be realised.

In concluding, I would like to once again express the Board's thanks to our worldwide employee base for their skills, the dedication they show and their on-going commitment towards the Group's success.

G W Gurry
Chairman

10 June 2013

Operating and financial review

OVERVIEW

The 12 month trading period to 31 March 2013 represented another year of firm progress for the Group as a whole as we continued to execute our sustainable growth strategy.

With a clear focus on industrial application areas, our policy has been to combine our resources and proprietary technology together with an intimate knowledge of the target market applications to develop class-leading semiconductor products. These products typically address difficult-to-solve customer problems linked to technical performance and cost.

The Group's two main semiconductor market sectors, storage and wireless, each posted solid revenue gains as the products emanating from our multi-year research and development activities gained traction with customers.

The following results serve to highlight the very positive effects we are seeing from progressive revenue growth built on the foundations of a stable cost base and a focussed product strategy with high technical barriers to entry.

FINANCIAL RESULTS

Overall Group revenues for the year ended 31 March 2013 grew by almost 8% to £25.24m (2012: £23.41m) driven once again by improved sales of semiconductors into the storage and wireless equipment sectors. The Group's equipment segment, Radio Data Technology, posted a disappointing fall in sales to £590k (2012: £759k). Revenues from the semiconductor segment alone were £24.65m against a prior year comparable of £22.65m representing growth of just under 9%.

Whilst the majority of customer transactions were denominated in US Dollars, the Group had exposure to a number of foreign currencies throughout the year. The effects of foreign exchange recognised in the income statement amounted to a profit £219k (2012: profit £160k).

Gross profit recorded was £17.56m representing an increase of over to 8% against the prior year (2012: £16.21m) and the overall gross margin remained stable at 69%.

The figure recorded for the Group's distribution and administration expenses shows an overall reduction to £12.74m from £13.05m in the previous year. The main reason for the comparative decrease is a reduction in the amortisation of development costs to £2.52m (2012: £2.94m). A constant amortisation charge year on year would have seen overall expenses at £13.17m which is a better reflection of the fact that real costs increased over the period.

At the operating level, and prior to the effects of other operating income, profits rose by 52% to £4.82m (2012: £3.16m) representing a record achievement for the Group.

Other operating income consists mainly of EU grant funding and rental income from Group-owned industrial properties that are surplus to operational requirements. The level of EU funding reduced from £206k in 2012 to £71k this year whilst the level of rental income also fell to £117k (£2012: £166k) reflecting the lack of a full year contribution from new tenants.

The Group's improved cash position led to net finance income of £25k (2012 net expense of £30k) excluding pensions effects.

Profit before taxation rose by 28% to total £5.07m (2012: £3.95m)

The Group generated a healthy level of cash through the year. Net cash inflow was £3.74m (2012: £2.92m) following payment of a £631k dividend (2012: £550k) relating to the prior financial year and a decrease in bank loans and short term borrowings of £2.16m. At 31 March 2013 cash reserves stood at £8.98m (2012: £5.24m) and bank loans and overdrafts had reduced to £338k (2012: £2.50m).

Inventory levels were well managed through the year and closed at £1.69m, slightly down on the prior year end position of £1.78m.

Total research and development expenses reduced to £3.75m (2012: £4.59m). Of this, an amount of £698k (2012: £1.07m) was written off through the consolidated income statement. Internal development costs increased from £2.47m in 2012 to £2.75m this year but a large decrease in external expenditure with third party partners to £302k (2012: £1.05m) produced an overall decline.

Income tax expense amounted to £1.02m against a prior year expense of £633k. The change was largely attributable to deferred tax movements and equated to an effective tax rate of 20% (2012: 16%) being recorded.

This year, the income statement benefited from a small improvement associated with pensions accounting under IAS 19 and distribution and administration costs fell by £158k as a result. However, there was a material adverse effect on the Group's balance sheet due to the liability associated with the Group's defined benefit pension scheme that has been closed to new entrants and future accruals for many years. The deficit now stands at £6.12m (2012: £4.54m).

This substantial increase in the Group's retirement benefit obligation is attributable to a number of factors but the one significant variable that contributes is that of the discount rate applied. The scheme actuary, in keeping with current practice, has reduced the discount rate used from 4.80% in 2012 to 4.25% this year. As a comparison, in our 2008 report and accounts the rate used was 6.70%. Whilst it is impossible to predict future discount rates, the effect of this one variable is clearly visible when considering that if the 2008 discount rate was applied this year, the scheme would be significantly in surplus.

In the year to 31 March 2013 the overall performance of the investments in the pension fund exceeded the predictions made by the actuary in the previous annual report and the Company made additional contributions in accordance with the agreed deficit reduction plan.

MARKETS REVIEW

Storage

During the year under review, revenues from the shipment of flash memory controller integrated circuits (IC's) into the solid state storage market increased by 6.5% to £11.55m year on year (2012: £10.84m). This represented 46% of total Group revenues and equated to a five year compound annual growth rate (CAGR) of 23%. The main contributing growth factor was the increase in shipment volumes. Average selling prices were fractionally ahead of the prior year as a result of product mix.

The majority of semiconductors sold into this category contained a PATA host interface and were used within industrial compact flash card applications amongst many of the top networking and telecom equipment manufacturers. Meaningful deliveries of industrial SD controllers were also made to address the growing trend within certain applications to utilise this form factor. Production quantity shipments of the Group's first SATA controller commenced during the final quarter of the year to initial lead customers developing CFast and other industry standard SATA SSD form factors.

The Group had only one customer accounting for more than 10% of overall revenues. The contribution to revenue from this customer was 13.5% (2012: 10.5%).

Following full production release of the SATA controller during the year, engineering resources focussed on the development of next generation solutions that will integrate updated and alternative host interface technologies. A key objective is to also ensure high levels of compatibility with the third party NAND flash memory technology that is expected to dominate our end markets over the coming years. It is expected that the first of these products, a next generation SD controller, will be sampled to customers during the summer months.

Operating and financial review - (continued)

Wireless
Wireless product revenues grew by approximately 14% to a total of £9.80m (2012: £8.60) and represented close to 39% of overall group sales. Average selling prices remained stable with the growth being delivered through higher shipment quantities. Across the prior five full financial years, the Group has achieved a CAGR of 8% in revenue terms for the wireless sector.

Only three of the Group's top twenty wireless customers failed to increase their spend year on year and no single customer accounted for more than 6% of total Group revenues.

The product mix was dominated by the shipment of analogue and digital baseband processing IC's for voice centric analogue and digital two-way radio sub-markets as well as a strong year of growth from the Group's complementary high performance radio frequency (RF) products. The revenue levels from legacy semiconductors targeted at data specific application areas was slightly down but progress with newer higher speed products that interface to the RF portfolio was encouraging. The year under review demonstrated that our strategy for developing high performance multi-chip wireless solutions has started to deliver meaningful revenue growth.

The potential exists for contractual volatility within certain public safety wireless applications as was evidenced by the contrasting revenues between the first six month period and the second half. The relative effects of this are expected to diminish over time as a growing number of customers enter production using Group multi chip solutions.

Engineering development activities were directed at expanding the functionality and performance of the RF product range, ensuring our configurable FirmASIC technology is optimised for future performance and cost requirements and for developing next generation connectivity IC's for digital radio standards.

Wireline telecom
The sales recorded from wireline telecom semiconductors as a whole were slightly down at £2.68m (2012: £2.78m) representing 11% of group revenues. This follows from the two prior years where revenue gains of 6% (2012) and 13% (2011) were posted. There was no impact at the gross profit level due to product mix.

The main reason for the reduction was lower value shipments into Chinese point of payment terminals. Apart from this one application area there was a measurable increase in sales across the other wireline telecom application areas. A healthy level of customer design activity surrounds the wireline modem product family and the underlying overall trend is one of stability in this sector.

Engineering activities remained focussed on ensuring that the telecom product range is price and performance competitive for the sub-markets addressed and that the Group can continue to benefit from the low rates of product obsolescence that customers associate with the CML name.

Equipment
The Chairman's report highlighted the disappointing performance from Radio Data Technology (RDT), which represents the Group's equipment segment. Revenues dropped to £590k from £759k in the prior year and contributed 2% to overall Group revenues. The segment posted a loss of £383k compared to a loss of £55k in the prior year.

The traditional wireless markets addressed by RDT have suffered from a downturn associated with the global economic volatility of the last few years whilst a trend amongst the customers to use more recent technologies has not played to the company's historical technical strengths.

The Board decided to take appropriate action to address the negative effect of RDT's trading on the Group's performance and this has culminated in an exit from the business being agreed.

An orderly closure of the company has been initiated which is expected to be completed during the first six months trading period of the current financial year to 31 March 2014. Thereafter, the Group's sole reporting segment will be semiconductors.

Operating and financial review - (continued)

SUMMARY AND OUTLOOK

One of the priorities reported in the 2012 Operating and Financial Review, was to drive increased sales revenues by focussing on multi-year sustainable end market opportunities. Given the niche nature of the markets addressed, and the lengthy customer design and qualification periods that are prevalent, this on-going process will take time. Nevertheless, the trading performance reported for the year highlights the advances that are being made.

The record profit posted at the Operating level was a pleasing result as was the recorded increase in net cash reserves. This performance comes whilst we continue to invest in class leading semiconductors for our storage and wireless market areas, expand our valuable engineering resources and look to enhance financial resources further by capitalising on our non-operational property assets.

A consistent level of engineering expenditure targeted at standard product offerings has led to good levels of new customer design-in opportunities. The Group's internal and external selling resources are focussed on positioning us appropriately with those companies that are or will be the leading equipment manufacturers of the future in each of the focus end markets. This is a key requirement to drive sustainable growth.

Within the industrial storage markets addressed, flash memory controller technology is key to the performance required by some of the world's most demanding manufacturers. The market is growing as more and more applications switch to solid state storage and away from traditional hard disk technology.

Revenues to date have largely been derived from the sale of controllers into compact flash applications with relatively small contribution from SD controllers. The year ahead will be the first full year that the Group can benefit from a production ready SATA controller and through the year ahead we aim to expand the product range further.

For the wireless markets addressed there are a number of drivers that are expected to deliver increasing revenues through the years ahead. The gradual migration of the analogue radio technology within two-way radio applications to the newer digital standards has started and the move to higher data rates within the narrowband wireless data end markets is also underway. As already reported, the Group's RF product range is expanding and customers are increasingly adopting Group multi-chip solutions.

During April 2013, the Group announced the expansion of its UK engineering team with the opening of a design office in Sheffield, England. The integration of this team is proceeding according to plan. As reported at the time, the combined capabilities of the enlarged development group will enable us to expand our wireless product roadmap to capitalise on a wider range of growth opportunities.

For the year ahead we expect additional revenue growth although the exit of the equipment segment will lead to 2013 revenues being restated within the income statement next year. At the operating level, the higher expenses associated with the expansion of our engineering team will be partially offset by the reduction in operating expenses from the equipment segment.

Overall, the Group expects to make further firm progress in profitability during the coming year as we make the transition to a fully focussed semiconductor operation.

The Board is pleased with the positive developments made through the course of the year and looks forward to delivering increased shareholder value for the full year to 31 March 2014.

C A Gurry
Managing Director

CML Microsystems Plc

Consolidated income statement
for the year ended 31 March 2013

	Unaudited 2013 £	Audited 2012 £
Continuing operations		
Revenue	**25,237,939**	23,409,402
Cost of sales	**(7,673,852)**	(7,196,586)
Gross profit	**17,564,087**	16,212,816
Distribution and administration costs	**(12,742,667)**	(13,050,186)
	4,821,420	3,162,630
Other operating income	**296,547**	458,745
Profit from operations	**5,117,967**	3,621,375
Share-based payments	**(101,525)**	(63,255)
Profit after share-based payments	**5,016,442**	3,558,120
Net profit on properties sold or revalued	**—**	328,143
Finance costs	**(34)**	(38,514)
Finance income	**54,668**	101,780
Profit before taxation	**5,071,076**	3,949,529
Income tax expense	**(1,016,895)**	(633,251)
Profit after taxation attributable to equity owners of the parent	**4,054,181**	3,316,278
Profit per share		
Basic	**25.59p**	21.06p
Diluted	**25.18p**	20.94p

Consolidated statement of comprehensive income
for the year ended 31 March 2013

	Unaudited 2013 £	Unaudited 2013 £	Audited 2012 £	Audited 2012 £
Profit for the year		**4,054,181**		3,316,278
Other comprehensive income, net of tax				
Foreign exchange differences	**180,620**		6,432	
Actuarial loss on retirement benefit obligations	**(1,768,000)**		(1,962,000)	
Deferred tax on actuarial losses	**406,640**		457,840	
Other comprehensive income for the year net of taxation attributable to equity owners of the parent		**(1,180,740)**		(1,497,728)
Total comprehensive income for the year		**2,873,441**		1,818,550

CML Microsystems Plc
Consolidated statement of financial position
for the year ended 31 March 2013

	Unaudited 2013 £	Unaudited 2013 £	Audited 2012 £	Audited 2012 £
Assets				
Non-current assets				
Property, plant and equipment		**5,094,035**		5,155,713
Investment properties		**3,450,000**		3,450,000
Development costs		**4,674,421**		4,153,659
Goodwill		**3,512,305**		3,512,305
Deferred tax asset		**2,737,409**		2,731,219
		19,468,170		19,002,896
Current assets				
Inventories	**1,692,599**		1,780,688	
Trade receivables and prepayments	**2,522,168**		1,566,207	
Current tax assets	**138,720**		135,241	
Cash and cash equivalents	**9,322,957**		7,742,038	
		13,676,444		11,224,174
Non-current assets classified as held for sale properties		**109,977**		104,519
Total assets		**33,254,591**		30,331,589
Liabilities				
Current liabilities				
Bank loans and overdrafts		**338,267**		2,500,431
Trade and other payables		**3,308,282**		2,603,646
Current tax liabilities		**56,851**		102,034
		3,703,400		5,206,111
Non-current liabilities				
Deferred tax liabilities	**2,063,299**		1,672,425	
Retirement benefit obligation	**6,122,000**		4,542,000	
		8,185,299		6,214,425
Total liabilities		**11,888,699**		11,420,536
Net assets		**21,365,892**		18,911,053
Capital and reserves attributable to equity owners of the parent				
Share capital		**793,630**		788,117
Share premium		**4,977,531**		4,872,587
Share-based payments reserve		**171,199**		108,085
Foreign exchange reserve		**513,532**		332,912
Accumulated profits		**14,910,000**		12,809,352
Shareholders' equity		**21,365,892**		18,911,053

CML Microsystems Plc
Consolidated cash flow statement
for the year ended 31 March 2013

	Unaudited 2013 £	Audited 2012 £
Operating activities		
Net profit for the year before taxation	**5,071,076**	3,949,529
Adjustments for:		
Depreciation	**241,546**	213,394
Amortisation of development costs	**2,517,374**	2,944,039
Revaluation of investment properties/properties held for sale	**—**	68,847
Movement in pensions deficit	**(188,000)**	66,000
Share-based payments	**101,525**	63,255
Finance costs	**34**	38,514
Finance income	**(24,668)**	(6,780)
Increase in working capital	**(163,686)**	(492,187)
Cash flows from operating activities	**7,555,201**	6,844,611
Income tax paid	**(70,620)**	(398,274)
Net cash flows from operating activities	**7,484,581**	6,446,337
Investing activities		
Purchase of property, plant and equipment	**(179,448)**	(145,077)
Investment in development costs	**(3,048,481)**	(3,518,010)
Disposal of property, plant and equipment	**450**	9,039
Disposal of assets held for sale	**—**	668,590
Finance income	**24,668**	6,780
Net cash flows from investing activities	**(3,202,811)**	(2,978,678)
Financing activities		
Issue of ordinary shares	**110,457**	55,283
Dividend paid to shareholders	**(630,584)**	(549,938)
Finance costs	**(34)**	(38,514)
Decrease in bank loans and short-term borrowings	**(2,162,164)**	(1,418,980)
Net cash flows from financing activities	**(2,682,325)**	(1,952,149)
Increase/(Decrease) in cash and cash equivalents	**1,599,445**	1,515,510
Movement in cash and cash equivalents:		
At start of year	**7,742,038**	6,245,694
Increase in cash and cash equivalents	**1,599,445**	1,515,510
Effects of exchange rate changes	**(18,526)**	(19,166)
At end of year	**9,322,957**	7,742,038

CML Microsystems Plc

Consolidated statement of changes in equity
for the year ended 31 March 2013

	Share capital	Share premium	Share-based payments	Foreign exchange reserve	Accumulated profits	Total
Audited	£	£	£	£	£	£
At 31 March 2011	785,335	4,820,086	297,886	326,480	11,294,116	17,523,903
Profit for year					3,316,278	3,316,278
Other comprehensive income net of taxes						
Foreign exchange differences				6,432		6,432
Net actuarial loss recognised directly to equity					(1,962,000)	(1,962,000)
Deferred tax on actuarial losses					457,840	457,840
Total comprehensive income for year	—	—	—	6,432	1,812,118	1,818,550
	785,335	4,820,086	297,886	332,912	13,106,234	19,342,453
Transactions with owners in their capacity as owners						
Issue of ordinary shares	2,782	52,501				55,283
Dividend paid					(549,938)	(549,938)
Total transactions with owners in their capacity as owners	2,782	52,501	—	—	(549,938)	(494,655)
Share-based payments in year			63,255			63,255
Cancellation/transfer of share-based payments			(253,056)		253,056	—
At 31 March 2012	788,117	4,872,587	108,085	332,912	12,809,352	18,911,053
Unaudited						
Profit for year					**4,054,181**	**4,054,181**
Other comprehensive income net of taxes						
Foreign exchange differences				**180,620**		**180,620**
Net actuarial loss recognised directly to equity					**(1,768,000)**	**(1,768,000)**
Deferred tax on actuarial losses					**406,640**	**404,640**
Total comprehensive income for year	**—**	**—**	**—**	**180,620**	**(1,361,360)**	**(1,182,740)**
	788,117	**4,872,587**	**108,085**	**513,532**	**15,502,173**	**21,784,494**
Transactions with owners in their capacity as owners						
Issue of ordinary shares	**5,513**	**104,944**				**110,457**
Dividend paid					**(630,584)**	**(630,584)**
Total transactions with owners in their capacity as owners	**5,513**	**104,944**	**—**	**—**	**(630,584)**	**(520,127)**
Share-based payments in year			**101,525**			**101,525**
Cancellation/transfer of share-based payments			**(38,411)**		**38,411**	**—**
At 31 March 2013	**793,630**	**4,977,531**	**171,199**	**513,532**	**14,910,000**	**21,365,892**

CML Microsystems Plc
Notes to the financial statements

1. Segmental analysis

Reported segments and their results in accordance with IFRS 8, are based on internal management reporting information that is regularly reviewed by the chief operating decision maker (C. A. Gurry). The measurement policies the Group uses for segmental reporting under IFRS 8 are the same as those used in its financial statements.

Information about revenue, profit/loss, assets and liabilities

	Unaudited 2013			Audited 2012		
	Equipment £	**Semiconductor components £**	**Group £**	Equipment £	Semiconductor components £	Group £
Revenue						
By origination	**589,919**	**40,493,752**	**41,083,671**	758,700	38,245,773	39,004,473
Inter-segmental revenue	**—**	**(15,845,732)**	**(15,847,732)**	—	(15,595,071)	(15,595,071)
Total segmental revenue	**589,919**	**24,648,020**	**25,237,939**	758,700	22,650,702	23,409,402
Segmental result	**(383,207)**	**5,399,649**	**5,016,442**	(55,474)	3,613,594	3,558,120
Net profit on properties sold or revalued			**—**			328,143
Finance expense			**(34)**			(38,514)
Finance income			**54,688**			101,780
Income tax			**(1,016,895)**			(633,251)
Profit after taxation			**4,054,181**			3,316,278
Assets and liabilities						
Segmental assets	**273,128**	**26,545,357**	**26,818,485**	610,697	23,299,913	23,910,610
Unallocated corporate assets						
Investment properties			**3,450,000**			3,450,000
Properties held for sale			**109,977**			104,519
Deferred taxation			**2,737,409**			2,731,219
Current tax receivable			**138,720**			135,241
Consolidated total assets			**33,254,591**			30,331,589
Segmental liabilities	**228,325**	**3,079,957**	**3,308,282**	182,761	2,420,885	2,603,646
Unallocated corporate liabilities						
Deferred taxation			**2,063,299**			1,672,425
Current tax liability			**56,851**			102,034
Bank loans and overdrafts			**338,267**			2,500,431
Retirement benefit obligation			**6,122,000**			4,542,000
Consolidated total liabilities			**11,888,699**			11,420,536

1. Segmental analysis (continued)

Other segmental information

	Unaudited 2013			Audited 2012		
	Equipment £	Semiconductor components £	Group £	Equipment £	Semiconductor components £	Group £
Property, plant and equipment additions	—	179,448	179,448	4,068	141,009	145,077
Development cost additions	58,964	2,989,517	3,048,481	78,352	3,439,658	3,518,010
Depreciation	1,120	240,426	241,546	5,925	207,469	213,394
Amortisation	171,073	2,346,301	2,517,374	73,840	2,870,199	2,944,039
Other non-cash expenditure/(income)	—	188,000	188,000	—	(41,848)	(41,848)

Inter-segmental transfers or transactions are entered into under commercial terms and conditions appropriate to the location of the business entity whilst considering that the parties are related. It is the director's intention to exit the equipment segment in the year ended 31 March 2014.

Geographical information

	UK £	Germany £	Americas £	Far East £	Total £
Year ended 31 March 2013 - Unaudited					
Revenue by origination	13,383,113	11,402,649	6,258,588	10,039,321	41,083,671
Inter-segmental revenue	(6,244,716)	(9,601,016)	—	—	(15,845,732)
Revenue to third parties	7,138,397	1,801,633	6,258,588	10,039,321	25,237,939
Property, plant and equipment	4,887,586	60,187	136,348	9,914	5,094,035
Investment properties	3,450,000	—	—	—	3,450,000
Property held for sale	—	—	109,977	—	109,977
Goodwill	—	3,512,305	—	—	3,512,305
Development cost	1,969,306	2,714,115	—	—	4,674,421
Total assets	25,088,461	5,135,199	1,404,040	1,626,891	33,254,591
Year ended 31 March 2012 - Audited					
Revenue by origination	12,361,850	10,529,275	6,278,721	9,834,627	39,004,473
Inter-segmental revenue	(6,705,257)	(8,859,116)	—	(30,698)	(15,595,071)
Revenue to third parties	5,656,593	1,670,159	6,278,721	9,803,929	23,409,402
Property, plant and equipment	4,968,013	55,416	115,995	16,289	5,155,713
Investment properties	3,450,000	—	—	—	3,450,000
Property held for sale	—	—	104,519	—	104,519
Goodwill	—	3,512,305	—	—	3,512,305
Development cost	1,907,456	2,246,203	—	—	4,153,659
Total assets	22,882,808	5,058,799	1,184,699	1,205,283	30,331,589

Inter-segmental transfers or transactions are entered into under commercial terms and conditions appropriate to the location of the business entity whilst considering that the parties are related.

2. Dividend paid and proposed

It is proposed to pay a dividend of 5.5p per Ordinary Share of 5p in respect of the year end 31 March 2013 (2012: 4.0p per Ordinary Share of 5p).

3. Income tax

The Directors consider that tax will be payable at varying rates according to the country of incorporation of a subsidiary and have provided on that basis.

	Unaudited 2013 £	Audited 2012 £
UK income tax	**(142,549)**	(133,870)
Overseas income tax	**382,549**	446,721
Total current tax credit	**240,000**	312,851
Deferred tax	**776,895**	320,400
Reported income tax expense	**1,016,895**	633,251

4. Profit per ordinary share

The calculation of basic and diluted earnings per share is based on the profit attributable to ordinary shareholders, divided by the weighted average number of shares in issue during the year.

	Unaudited			**Audited**		
	Profit 2013 £	**Weighted average number of shares 2013 Number**	**Profit per share 2013 p**	Profit 2012 £	Weighted average number of shares 2012 Number	Profit per share 2012 p
Basic profit per share	**4,054,181**	**15,841,435**	**25.59**	3,316,278	15,743,946	21.06
Diluted profit per share						
Basic profit per share	**4,054,181**	**15,841,435**	**25.59**	3,316,278	15,743,946	21.06
Dilutive effect of share options	**—**	**256,941**	**(0.42)**	—	91,376	(0.12)
Diluted profit per share	**4,054,181**	**16,098,376**	**25.18**	3,316,278	15,835,322	20.94

5. Investment properties

Investment properties are revalued at each discrete period end by the directors and every third year by independent Chartered Surveyors on an open market basis. No depreciation is provided on freehold investment properties or on leasehold investment properties. In accordance with IAS 40, gains and losses arising on revaluation of investment properties are shown in the income statement. At the 31 March 2012 the investment properties were professionally valued by Everett Newlyn, Chartered Surveyors and Commercial Property Consultants on an open market basis. The directors do not consider that the properties require a change in valuation at 31 March 2013 having considered the local property market.

6. Analysis of cash flow movement in net debt

The cash flow below is a combination of the actual cash flow and the exchange movement.

	Audited Net cash at 1 April 2012 £	Unaudited Cash flow £	Unaudited Exchange movement £	**Unaudited Net cash at 31 March 2013 £**
Cash and cash equivalents	7,742,038	1,599,445	(18,526)	**9,322,957**
Bank loans and overdrafts	(2,500,431)	2,162,164	—	**(338,267)**
	5,241,607	3,761,609	(18,526)	**8,984,690**

7. Principal risks and uncertainties

Key risks of a financial nature

The principal risks and uncertainties facing the Group are with foreign currencies and customer dependency. With the majority of the Group's earnings being linked to the US Dollar a decline in this currency will have a direct effect on revenue, although since the majority of the cost of sales are also linked to the US Dollar, this risk is reduced at the gross profit line. Additionally, though the Group has a very diverse customer base in certain market segments, key customers can represent a significant amount of revenue. Key customer relationships are closely monitored, however changes in buying patterns of a key customer could have an adverse effect on the Group's performance.

Key risks of a non-financial nature

The Group is a small player operating in a highly competitive global market, which is undergoing continual and geographical change. The Group's ability to respond to many competitive factors including, but not limited to pricing, technological innovations, product quality, customer service, manufacturing capabilities and employment of qualified personnel will be key in the achievement of its objectives, but its ultimate success will depend on the demand for its customers' products since the Group is a component supplier.

A substantial proportion of the Group's revenue and earnings are derived from outside the UK and so the Group's ability to achieve its financial objectives could be impacted by risks and uncertainties associated with local legal requirements, the enforceability of laws and contracts, changes in the tax laws, terrorist activities, natural disasters or health epidemics.

8. Directors' statement pursuant to the disclosure and transparency rules

The directors confirm that, to the best of their knowledge:

a. the condensed consolidated financial statements, prepared in accordance with IFRS as adopted by the EU give a true and fair view of the assets, liabilities, financial position and loss of the company and the undertakings included in the consolidation taken as a whole; and

b. the Chairman's statement and operating and financial review includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole together with a description of the principal risks and uncertainties that they face.

The directors are also responsible for the maintenance and integrity of the CML Microsystems Plc website. Legislation in the UK governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

9. Significant accounting policies

The accounting policies used in preparation of the annual results announcement are the same accounting policies set out in the year ended 31 March 2012 financial statements.

10. General

The results for the year have been prepared using the recognition and measurement principles of international financial reporting standards as adopted by the EU.

The audited financial information for the year ended 31 March 2012 is based on the statutory accounts for the financial year ended 31 March 2012 that have been filed with the Registrar of Companies. The auditor reported on those accounts: their report was (i) unqualified, (ii) did not include references to any matters to which the auditor drew attention by way of emphasis without qualifying the reports and (iii) did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The statutory accounts for the year ended 31 March 2013 are expected to be finalised and signed following approval by the board of directors on 21 June 2013 and delivered to the Registrar of Companies following the Company's annual general meeting on 31 July 2013.

The financial information contained in this announcement does not constitute statutory accounts for the year ended 31 March 2013 or 2012 as defined by Section 434 of the Companies Act 2006.

A copy of this announcement can be viewed on the company website http://www.cmlmicroplc.com.

11. Approval

The Directors approved this annual results announcement on 10 June 2013.

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